

II. Community Heritage District Survey

What is a Community Heritage or Conservation District?

In Phase II of the Pike Pine Neighborhood planning effort the creation of a Community Heritage District was identified as a major priority. More commonly known as Conservation Districts, these designations exist to protect the vernacular qualities of a neighborhood and allow for necessary compromise in regards to new construction and demolition versus the stringent restrictions that generally exist regarding historic districts. These special districts are areas, typically a mix of residential and commercial storefronts, with certain characteristics embodied in cultural/historical relevance; architecture and urban design that are subject to special zoning or land use regulations. In the case of Pike/Pine, a neighborhood with an existing special zoning overlay, the proposed Heritage District would work within the confines of that overlay.

The purpose for creating these districts varies from city to city, but, in general, the districts are formed to work as a land use zoning mechanism to preserve neighborhood character and retain affordable housing. These districts help protect an area from inappropriate development by regulating construction. In other cities they have been a tool for implementing neighborhood planning. These districts can also serve as catalyst for rehabilitation of existing buildings and establishing city landmarks. They can be used to protect neighborhoods or districts that have significant architectural merit and distinct character but do not qualify for historic district status or have lost some of their integrity through insensitive new development, or incompatible modifications and additions.

A special district ordinance can be established for the purpose of regulating new construction, alterations and additions to existing buildings, and demolition. These ordinances contain design review guidelines for all additions and new construction to protect and maintain the urban fabric of a neighborhood. In many cities, with these design review guidelines in place, new construction and sensitive modifications and additions to historic buildings have been expedited, and have actually served as time and cost saving procedures for developers.

Heritage districts that offer this kind of flexibility were first being established in the early 1970s to accommodate growth and revitalization, while maintaining the cultural resources of communities. Most of these districts were established in the mid-Atlantic and southern regions of the U.S. A new wave of districts became more prominent in the late 1980s and were established more frequently in the mid-west and western states. These districts are commonly in medium and large size cities ranging from 750,00 to 2 million in population. For the Pike/Pine Neighborhood Plan, the consultant team studied nationwide models including the Lair Hill and Industrial Sanctuary Districts of Portland, Oregon, the Union Station Historic warehouse District of Tacoma, Washington, and various districts in Minneapolis/St. Paul, Minnesota, and Philadelphia, Pennsylvania.

In a large number of the models we considered, economic development was *also a key* strategy. Research conducted by the National Trust for Historic Preservation supports the **fact that** economic vitality of a neighborhood increased through district designation and **urban revitalization**. There is evidence particularly in the mid-west, that many **of** these neighborhoods were bolstered in less than 10 years and in most situations remarkable change had transpired in a period of less than 5 years. The results of an extensive study conducted by the Indiana Department of Commerce found the following:

- No heritage districts were found to have an adverse **effect** on property values.
- Most properties within heritage districts appreciated in value.
- Poor and elderly residents are typically not displaced and more commonly affordable housing is created through rehabilitation of older buildings.
- Heritage districts encourage reinvestment in properties.
- More people move into these districts than leave the districts therefore creating more stable communities.
- Residential stability reinforces economic stability of neighborhood businesses.
- These special districts commonly serve as incubator for new, start-up businesses because their spaces are affordable.
- Older buildings can typically **accommodate** change and technology more easily than contemporary buildings that were designed for one specialized purpose.
- Heritage districts provide affordable housing and the average cost to develop this housing in an existing building can be up to 50% less than that of new construction.
- These districts tend to offer a wider variety of housing options in regards to cost, style size and uniqueness.
- There is a higher tendency towards diversity and a truer reflection of a city's **overall** population in historic neighborhoods.
- There is a lower vacancy rate in special districts versus non-designated neighborhoods.
- Historic neighborhoods offer more for the same amount of money, especially for first time home owners.
- Districts where **review** ordinances are enforced, have demonstrated growth of property appraisals, and nationally as a whole, these properties exceed market value.
- Over 90% of applications for modifications to buildings within neighborhoods that have design review guidelines are approved.
- Special districts reinforce a sense of community and are a valuable asset to local economy.

Pike/Pine Neighborhood Planning Committee
Business and Property Owners Survey for a Community Heritage District

Name: _____

Address: _____

Phone: _____

Property/Business Location: _____

1. Have you read your **Neighborhood** Plan or participated in community **forums**?

Y e s **No**

2. Do you currently **receive the P-Pine** Newsletter or any other **neighborhood** based newsletters and do you read **them**?

Y e s No

3. Are you a business or property owner?

 Business **Property** **B o t h**

4. 'Is this the only **property** or business **you own** within **the Pike/Pine** neighborhood?

5. How long have you owned your business or Property? **# of years**

6. Has your building been **rehabilitated** since you owned it or moved your business to its current location?

 Yes No

What **modifications** were made?

7. Have you **rehabilitated** buildings in the past or has your business ever been located in a historic building or district?

 Yes **No**

8. Do you or your landlord have plans to rehabilitate the building you own or are **located** in?

 Yes **No**

9. Are you aware of interest in your building by developers, public development authorities etc.?

Y e s **No**

10. Are you aware of interest in selling or developing your property?

Yes No

11. Would you **notify** or give tenants the **first** option to buy your property if you were to sell it?

 Yes **No**

12. Do you think that preservation and cultural resource management is a viable approach **to** increasing economic vitality in the **Pike/Pine** Neighborhood?

 Yes **No**

13. Are you in support of **public** acquisition of properties within the **Pike/Pine** neighborhood to insure **affordable** market rates for both commercial and **residential** **needs**?

Yes **No**

14. Are you in favor of creating a community Heritage or Conservation District in your neighborhood?

 Yes **No**

Do you have historic information or photos that could be **used** for the purpose of writing a neighborhood history or creating a waking guide?

Survey Summary Historic Outreach Component Pike/Pine Neighborhood

In order to provide a broader understanding of the potential affects of, a Heritage District for their neighborhood, and to gage the opinion of property and business owners who did not participate in the planning process, the Pike/Pine Planning Committee chose to extend outreach to specific stakeholders in the community. The committee chose a Survey Process directed to individual property owners: established groups and institutions such as the Pike/Pine Merchants Association, Pike/Pine Arts Council, Union Arts Co-op, Seattle Central Community College Facilities and Planning Department and Historic Seattle.

Notification of the survey was posted in the P-Punt Newsletter, Pike/Pine Merchants Assoc. Newsletter and the Capital Hill Times. The outreach process included individual phone surveys, articles for the P-Punt Newsletter and the Pike/Pine Merchant's Association: and consultant participation at various scheduled meetings with established community groups.

Approximately 80 property and business owners were invited to share their opinions and partake in a survey. The survey period was from mid July through mid September. Of the 58 respondents, less than 10 were opposed to some form of historic designation for their neighborhood. Of those opposed to the Heritage District designation, 33% agreed that the overall economic vitality of the neighborhood would most likely increase due to historic designation, but their main concern was financial returns and marketability of any future sale of their property. Overall approximately 80% of those surveyed were in favor of a Heritage District.

The Key Concerns of those In Support of Heritage District Status included:

- Economic Vitality of the Neighborhood
- Maintaining Architectural Character - especially storefronts
- Current tenants given priority status to purchase the properties they rent or lease.
- Maintaining affordable rental and lease rates for commercial and residential properties.
- Placing Value on the Neighborhood's Cultural History
- Serving as role models for other neighborhoods and encouraging stewardship for historic preservation throughout the City.
- Obtaining Eligibility for National Mainstreet Status for Urban Villages through programs sponsored by the National Trust for Historic Preservation
 - Increased property values for landmark buildings.
- Tax incentives for historic preservation and rehabilitation.

The Key Concerns of those Opposed to the Heritage District Status included:

- Property Values and Marketability
- Flexibility to make modifications, improvements and any rehabilitation.
- City Governance - Who would be involved with review?
- Tax Disincentives for Demolition
- Allowances for New Construction

PIKE/PINE NEIGHBORHOOD -- *Interview Summary*

INTERVIEWEES

Sara Schuyler - developer, Pike Street Corner Development

Scott Nodland - developer, Kauri Investments

Val Thomas - developer, Val Thomas, Inc.

Linda Alexander - developer, Alexander & Ventura

Chuck Weinstock - developer, CHHIP

Ron Murphy - architect, Stickney Murphy Romine

Bob Hale - architect, Kovalenko Hale

Clayton O'Brien Smith - architect, GGLO

Steve Norman - property owner, Seattle BMW

Don Logan - property owner, 32 units rental property

Bryher Herak - property owner, Winston Apartments & commercial space

Dan Jenkins - property owner, commercial developer, The Weiss Co.

THEMES - DEVELOPERS & ARCHITECTS

- ◆ The Pike/Pine neighborhood is a great location for housing with many underutilized sites.
- ◆ Sales of properties that have been held for a long time are beginning to take place.
- ◆ Commercial space rents are on the rise. (\$9/square foot/year is heading toward \$12, new commercial space is going for \$24 to \$30/square foot/year.)
- ◆ Land costs are too high to make rental housing financially feasible. (Vacant land prices are \$15,000 to \$25,000 per unit and existing buildings are selling for \$40,000 to \$90,000 per unit.)
- ◆ Slow permit processing and complicated development standards are increasing housing costs.
- ◆ Parking drives everything--number of units on a site, cost of units, size of units, design considerations.

- ◆ Open space requirements are costly and hard to meet. New construction often must include large roof-top gardens. Access requires that additional stairways and/or elevators be constructed/installed. The initial costs add to the cost of the housing and long-term maintenance costs are a concern. Open space that is created doesn't benefit the neighborhood.
- ◆ Lower income or affordable housing will need subsidy.
- ◆ Design review is working as a way to get code departures which are needed.
- ◆ Design review takes too long and is too unpredictable,
- ◆ Regulations triggered by change of use make housing affordability impossible.
- ◆ Modulation and setback requirements are too rigid in the MR zone.

THEMES - PROPERTY OWNERS

- ◆ Parking is a problem for existing uses. There is not enough of it and new development should provide its own.
- ◆ The best redevelopment approach is demonstrated by the QFC site. The site was totally redeveloped while replicating what was there.
- ◆ Owners of existing residential properties were divided in their comments about City assistance for rehabilitation. There was suspicion of any City program, as well as some interest. There was concern about City monitoring of compliance with funding requirements and how City rent controls would impact future sales value.
- ◆ Existing residential property owners estimate that 1/3 to 1/2 of tenants need parking.
- ◆ Residential property owners estimate they will increase rents by \$10 to \$20 per unit per year. Taxes are going up, as are utilities, and buildings are in need of repair.
- ◆ Vacancies, either residential or commercial, were not an issue for anyone interviewed.

- ◆ Housing can be developed over single story commercial properties if the structure is sound and parking can be provided. Providing parking is the most difficult part of this type of development project.
- ◆ The Pike/Pine Overlay encourages housing but the City's development standards are too complicated.

IDEAS

- ◆ Reduce the parking requirement for new residential construction to 1 space per unit, or .75 space per unit.
- ◆ Eliminate or waive the parking requirement for redevelopment and rehabilitation projects so older building can be redeveloped for mixed-use residential/commercial.
- ◆ Allow parking waivers if developer agrees to provide low-income housing.
- ◆ Let properties which are more than 800' apart share parking. Let parking be leased to other users besides those in the building.
- ◆ Allow developers to provide for parking off-site.
- ◆ Expand the P-I Pedestrian Overlay.
- ◆ Allow parking to be reduced as a departure which can be granted through the design review process when a developer provides another desired housing quality (i.e. affordability, unit size).
- ◆ Allow parking to count as open space if it is treated "aesthetically."
- ◆ install parking meters the full length of Pike and Pine. Create two and four hour parking zones.
- ◆ Don't limit street parking or it will penalize existing residents.
- ◆ Create a Residential Parking Zone (RPZ).
- ◆ Have the City build a parking garage.
- ◆ In urban neighborhoods like Pike/Pine, reduce or eliminate the open space requirement. Let developers put in decks or roof gardens based on what the market demands rather than on a formula.

- ◆ Allow developers to contribute to an “open space fund” in lieu of providing open space on a development-by-development basis,
- ◆ In the area of the Overlay, allow for the same residential densities on the side streets as on Pike and Pine. Currently there are no density limits on Pike and Pine, but residential density is limited to 1/400 in single purpose residential structures on the cross streets. Let height and setback requirements dictate density.
- ◆ Include the ability to obtain departures from height in the design review process.
- ◆ Reduce the requirement for 80% of the ground floor in mixed-use property to be commercial space.
- ◆ Relax modulation and setback requirements in the MR zone. Write design standards which encourage articulation, interesting facade treatments, and modulation, as appropriate.
- ◆ Allow private developers to access City housing funds to create housing for people with 50% to 80% of median income.

PIKE/PINE NEIGHBORHOOD -- Housing Affordability

RENTAL HOUSING

Rental housing in the neighborhood is relatively affordable, due in large part to its size and age. Newer rental units have significantly higher rents than older units. Rents for one bedroom units are increasing faster than rents for studio units. Vacancy rates are extremely low. Thirteen per cent of the rental housing is publicly subsidized.

- ◆ The Dupre + Scott **Apartment** Vacancy Report, *Fall 1997*, surveyed rents in 2,612 units in an area covering the Pike/Pine, capitol Hill and Eastlake neighborhoods. The average rents for older studio and one bedroom units (built 1900 - 1964) were either comparable, or higher than for similar units in the downtown and First Hill neighborhoods.
- ◆ Average rents for studio units ranged from \$478 to \$510. Average rents for one bedroom units ranged from \$599 to \$670. For newer units (built in 1992 or later) the average rents ranged from \$558 to \$683 for studios and \$730 to \$986 for one bedrooms. New units had rents between \$80 and \$316 higher than older units.
- ◆ Rents for older studios units are affordable for single person households earning 50% or more of the median income. Rents of older one bedroom units are affordable to single person households earning 60% or more of the median income.
- ◆ Two-person households need between 50% and 60% of median income, or more, to afford older one bedroom units.
- ◆ Newer studio units are affordable for households earning 60%, or more, of the median income. To rent a newer one bedroom unit a single person needs more than 80% of median income, and two people need about 70% of median income.
- ◆ Rents for older studio units increased by 8% to 9% between 1995 and 1997. Rents for older one bedroom units have increased by about 13% during the same period.

- ◆ In Capitol Hill/Eastlake/Pike-Pine, as well as the surrounding downtown and First Hill neighborhoods, rents for one bedroom units rose at a faster rate than for studio units.
- ◆ Vacancy rate is a measure of housing availability. When demand for, and supply of, units is in approximate balance, the vacancy rate will be about 5%. Higher vacancy rates are indicative of an “over built” housing market and lower rates occur when the market is tight. A tight market is characterized by low turnover of units and/or units being for rent for a very short period of time. For the majority of studio and one bedroom units in the Capitol Hill/Eastlake/Pike-Pine area, the vacancy rates in the fall of 1997, were 1.5%, or less.
- ◆ Thirteen per cent (13%) of the housing, or 467 units, in the neighborhood are subsidized, with rents limited by local, state, or federal contracts to levels which are affordable to households with incomes less than 80% of the median.

OWNERSHIP UNITS

Relatively few condominiums exist in the Pike/Pine neighborhood. Units for sale are affordable to a broad range of income groups, In a recent survey, more units were for sale in south capitol Hill than in Pike/Pine. Three new projects with about 100 units are either underway, or being planned for the neighborhood. This would more than double the homeownership opportunities in the neighborhood.

Information on condominium prices was obtained from the real estate section of the *Seattle Times* (Sunday edition). This survey covered the November 1997 to February 1998 timeframe. Prices for units throughout south Capitol Hill were included in this assessment of the condominium market. There were 42 listings in the sample.

- ◆ There were an average of four listings for condominiums in this area each of the seven weeks surveyed, excluding the listing for the Elektra. (The Elektra is a 200 unit condo project in the far west end of the Pike/Pine neighborhood, across the street from the Convention Center.)

- ◆ Condos were for sale in a wide variety of price ranges. Those selling for less than \$100,000 were typically studio and small one bedroom units in older, rehabilitated buildings with “charm.”
- ◆ Of the 42 units which were listed for sale: 1) 10 units were listed for less than \$100,00, 2) 15 units were listed for \$100,000 to \$149,000, 3) 11 units were listed for between \$150,000 to \$199,000, and 4) 6 units had prices in excess of \$200,000.
- ◆ There was not always a direct correlation between size of unit and price. Both one and two bedroom units were listed between \$120,000 and \$175,000.
- ◆ In general, few of the listed properties were located in the Pike/Pine neighborhood. Most were located in South Capitol, just north of the Pike/Pine urban center.
- ◆ There are three new condo projects either under way, or planned, for the Pike/Pine neighborhood. Together, they will create about 100 new condo units. The 1990 Census counted 56 condos in the neighborhood.
- ◆ Units in the new projects will sell for between \$125,000 and \$300,000, with the majority in the \$130,000 to \$150,000 price range.
- ◆ While not many units are on the market at any given time, prices are affordable to the full range of income groups between 60% and 120% of the median income.

PIKE/PINE NEIGHBORHOOD -- *Population & Housing Profile*

POPULATION & HOUSEHOLDS*

The population of the neighborhood can be characterized as racially diverse and relatively young. *Households are small, usually made up of one or two people. There are relatively few families, and the majority are married couples without children.*

- ◆ The Pike/Pine neighborhood is home to 3,064 people, 6% of the City's total population, Capitol Hill and First Hill have 16,344 and 7,128 persons respectively.
- ◆ The population in Pike/Pine is predominately White (75%). African Americans are 13% of the population and Asians comprise 7% of the people in the neighborhood.
- ◆ Seventy-eight per cent (78%) of the population is below the age of 44. Only 7% of the population is aged 65 or older. Of the three neighborhoods in the planning area, the Pike/Pine neighborhood has the highest percentage of people below 44 years of the age and the lowest percentage of people over 65. In the balance of the City, 68% of the population is less than 44, and 15% of the population is 65 or over.
- ◆ In the Pike/Pine neighborhood, the vast majority of households (97%) live in rental units, compared with the balance of the City where 51% of the households are renters. The percentages of renters for the Capitol Hill and First Hill neighborhoods are 87% and 91%, respectively.
- ◆ Households made up of a single person (71%), or two or more unrelated people (16%), predominate in the neighborhood. Families represent only 12% of the neighborhood's households, as compared with the balance of the City where families make up 48% of households,
- ◆ The average size of Pike/Pine households is 1.37 people, compared with an average household of 2.09 people in the rest of Seattle. The size of the

* Source: 1990 Census

average household in the balance of the planning area is comparable to that in Pike/Pine.

- ◆ Approximately 5% of neighborhood residents live in some type of group quarters, the majority of whom live in emergency shelters.

HOUSING UNITS*

The housing stock in the Pike/Pine Neighborhood is predominately small units in large, older buildings. Owner-occupied units are condominiums in multi-family configurations. Some residents are living in overcrowded conditions. Vacant and boarded-up units are not a significant problem.

- ◆ Ninety-eight per cent (98%) of the housing units in the Pike/Pine, Neighborhood are multi-family units. This is more than twice the number of multi-family units in the balance of the City where 45% of the housing is multi-family.
- ◆ Less than 1% of the units in the neighborhood are vacant and boarded-up.
- ◆ Units are considered to be overcrowded when they house more than one person per room. In the rest of Seattle, 4% of units are overcrowded. In the Pike/Pine Neighborhood, 5% of the units are overcrowded.
- ◆ More than one half of the units in the neighborhood, 54%, were built before 1940, and only 5% were built between 1985 and 1990. The age of the housing stock in the Capitol Hill neighborhood is roughly comparable to that in Pike/Pine. First Hill has relatively fewer units built before 1940 (38%), since a larger number of units were built between 1940 and 1979. In the balance of Seattle, 36% of units pre-date 1940 and 11% were built between 1985 and 1990.
- ◆ Three quarters of the units in the neighborhood are studios (33%) and one bedrooms (42%). In the remainder of the City nearly the reverse is true, with 67% of the housing units having two or more bedrooms.

* Source: 1990 Census

- ◆ The 3% of the housing stock which is owner-occupied is multi-family units in structures of 20 to 49 units. This is very different from the balance of the City where 87% of owner-occupied units are single family homes.
- ◆ The majority of rental units in Pike/Pine are in relatively large buildings. Forty-one per cent (41%) of rental units are in buildings of 20 to 49 units, and 35% are in buildings of 50 or more units. In the balance of the City, only 32% of rental units are in buildings of 20 or more units.

In May, the committee held a focus group to discuss the survey results and the committee's draft recommendations, which drew five participants. Other information gathering activities during the month included a meeting with the Capitol Hill Housing Improvement Program and the City of Seattle's Strategic Planning Office, and participation in the May 6 check-in event.

Pacific Rim Resources, the outreach consultant, also prepared a marketing plan for Arts Orbit, which the economic development committee will begin implementing in Summer 1998.

Housing and land use

Housing was profiled in the December 1997 issue of the P/PUNC newsletter, and was the featured topic at the January 1998 meeting.

The committee gathered information on challenges to affordable housing in Pike/Pine through interviews with developers, architects, and property owners in February and March of 1998. Many of the committee's Phase 2 recommendations stemmed from analysis of these interviews. Developers and architects felt that while the neighborhood has many underutilized sites where housing could be built, rising land costs, open space requirements, parking, complicated development standards, and a complex design review process make it difficult to construct housing or to redevelop existing buildings. Property owners agreed that parking was a thorny issue for the neighborhood, and suggested lowering parking requirements would encourage new and rehabilitated housing developments.

Urban design

The urban design committee held monthly meetings once a month until April, and then changed to a weekly meeting schedule. Various aspects of their work, such as parking and transportation, were highlighted in the newsletters and at the monthly general meetings.